

Message Text

UNCLASSIFIED

PAGE 01 IAEA V 07694 01 OF 02 181459Z

45

ACTION IO-14

INFO OCT-01 ISO-00 OIC-04 ACDA-19 CIAE-00 INR-10 L-03

NSAE-00 NSC-10 RSC-01 SCI-06 SCEM-02 SS-15 AF-10

ARA-16 EA-11 EUR-25 NEA-10 OMB-01 TRSE-00 EB-11 DRC-01

/170 W

----- 124118

R 181353Z SEP 73

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC 3399

INFO AEC GERMANTOWN

UNCLAS SECTION 1 OF 2 IAEA VIENNA 7694

E. O. 11652: N/A

TAGS: OCON IAEA

SUBJECT: IAEA BOARD OF GOVERNORS MEETING - SEPT. 14, 1973

REF: STATE 181319

1. SUMMARY: ONLY MAJOR POINT IN WHICH US OBJECTIVES NOT FULLY ACHIEVED WAS POSTPONEMENT OF CONSIDERATION OF DURATION/TERMINATION SAFEGUARDS ITEM UNTIL FEBRUARY. FINANCIAL ITEMS WERE APPROVED WITHOUT CHANGE, BUT WITH MESSY RECORD DUE TO STATED INABILITY OF LDC REPS TO SUPPORT BUDGET INCREASES CAUSED BY DEVALUATION PROBLEM IN DEVELOPED WORLD. BOARD RECOMMENDED THAT GEN CONFERENCE APPROVE MONGOLIAN APPLICATION WITHOUT MUCH DISCUSSION. END SUMMARY.

2. IAEA BOARD OF GOVERNORS MET A.M. AND P.M. SESSIONS FRIDAY, SEPT. 14, WITH SRI LANKA ABSENT. AGENDA FOR MEETING PER REFTEL ADOPTED WITH DELETION OF REACTOR PROJECTS ITEM AND AMENDMENT OF US-IAEA CO-OPERATION AGREEMENT, UNDER WHICH NO BUSINESS WAS READY FOR BOARD.

3. AGENDA ITEM 1(A) - SAFEGUARDS AGREEMENTS: ZAIRE WELCOMED AGREEMENT WITH SWAZILAND PURSUANT TO NPT, BUT OBJECTED THAT AGENCY HAD DONE NOTHING TO PROMOTE DEVELOPMENT OF PEACEFUL NUCLEAR PROGRAM IN THAT COUNTRY; HE CALLED IT UNACCEPTABLE THAT AGENCY SHOULD SPEND UNCLASSIFIED

UNCLASSIFIED

PAGE 02 IAEA V 07694 01 OF 02 181459Z

MONEY TO APPROVE SAFEGUARDS AGREEMENT WITH EVEN NON-MEMBER COUNTRY

WHICH IT WAS NOT HELPING TO ACQUIRE A CAPABILITY FOR PEACEFUL NUCLEAR ACTIVITIES TO SAFEGUARD. USSR MADE BRIEF STATEMENT WELCOMING THIS AS 43RD STATE TO BE COVERED BY AGREEMENT WITH AGENCY PURSUANT TO NPT. BOARD APPROVED SWAZI AGREEMENT BY CONSENSUS.

4. AGENDA ITEM 1(B) - CERTAIN PROVISIONS OF AGENCY'S SAFEGUARDS SYSTEM: REPORT OF DISCUSSION THIS ITEM SEPTEL. BOARD DECIDED TO DEFER CONSIDERATION UNTIL NEXT BOARD MEETING AFTER POST-GC BOARD, WITH PROVISION THAT THIS ITEM WOULD TAKE PRECEDENCE OVER OTHER SAFEGUARDS ITEMS ON AGENDA OF THAT MEETING.

5. AGENDA ITEM 1(C) - STAFF OF INSPECTORATE: BOARD APPROVED GD'S REQUESTS FOR CHANGES WITHOUT COMMENT.

6. AGENDA ITEMS 2 AND 3: - MONACO LABORATORY AND LONDON OCEAN DUMPING CONVENTION: REPORT SEPTEL.

7. AGENDA ITEM 5 - APPOINTMENT OF A MEMBER OF AGENCY SCIENCE ADVISORY COMMITTEE: DG ANNOUNCED THAT SOVIET MEMBER OF SAC, ACADEMICIAN IVAN CHUVILO, HAD REQUESTED TO BE RELIEVED DUE TO PRESSURE OF OTHER DUTIES. DG REQUESTED BOARD TO APPROVE HIS NOMINATION OF SOVIET ACADEMICIAN A.A. LOGINOV, DIRECTOR OF INSTITUTE FOR HIGH-ENERGY PHYSICS AT SERPUKHOV, TO REPLACE HIM. FRENCH AND US SPOKE BRIEFLY, ENDORSING NOMINATION, WHICH BOARD APPROVED BY CONSENSUS.

9. AGENDA ITEM 6(A) - POST ADJUSTMENT: FRG AND UK ENDORSED PROPOSAL FOR AUTOMATIC INCREASES IN POST ADJUSTMENT UPON UN COMMON SYSTEM DETERMINATION THAT INCREASE JUSTIFIED FOR VIENNA, FRG PRIMARILY ON GROUNDS OF BENEFIT TO STAFF MORALE AND UK BY CITING BOTH THIS AND ADVANTAGE TO AGENCY IN ADHERING AS CLOSELY AS POSSIBLE TO COMMON SYSTEM INSTEAD OF ALLOWING SEVERAL MONTHS LAPSE UNTIL BOARD COULD APPROVE CHANGE. SOVIETS SPOKE SHARPLY AGAINST THIS PROPOSAL SAYING THAT IT WOULD TEND TO DETRACT FROM EXECUTIVE AUTHORITY OF BOARD AND ITS CONTROL OVER STAFF EMOLUMENTS. INCREASE TO CLASS 14 POST ADJUSTMENT EFFECTIVE AUGUST 1, AND PROPOSAL THAT FUTURE CHANGES IN POST ADJUSTMENT BE INSTITUTED BY DG FOLLOWING UN COMMON SYSTEM, WITH REPORT TO BOARD AT FIRST OPPORTUNITY AFTER SUCH CHANGE IMPLEMENTED, BOTH APPROVED BY CONSENSUS. REPORT OF DG STATEMENT ON UN SALARY SYSTEM SEPTEL.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 IAEA V 07694 01 OF 02 181459Z

10. AGENDA ITEM 6(B) - INTERIM ADJUSTMENT OF GS/M&O STAFF SALARY SCALES: INCREASE APPROVED BY CONSENSUS WITHOUT DISCUSSION.

11. AGENDA ITEM 7 - TRANSFERS OF FUNDS BETWEEN SECTIONS OF REGULAR BUDGET FOR 1973: AFTER BRIEF EXPLANATORY STATEMENT BY DG, BOARD APPROVED TRANSFERS AND INCREASED APPROPRIATION RECOMMENDATION WITHOUT DISCUSSION.

12. AGENDA ITEM 8 - REGULAR BUDGET FOR 1974: USSR BEGAN DISCUSSION OF ADDITION OF \$2.5-MILLION TO APPROPRIATION AND ASSESSMENT FOR 1974 WITH USUAL STATEMENT OBJECTING TO ANY SUCH INCREASE IN BUDGET. SOVIETS PRESUMED AGENCY, IN CONSULTATION WITH OTHER ORGANIZATIONS IN UN FAMILY, WOULD ACT SOON TO ADOPT MEASURES REQUIRED TO PUT END TO SITUATION OF CONSTANTLY-RISING BUDGETS. MOST LDCS ARGUED THAT BUDGET WAS OUT OF BALANCE BETWEEN SAFEGUARDS AND OTHER ITEMS, THAT PROPOSED ACTION TOOK NO ACCOUNT OF REAL DECLINE IN TECHNICAL ASSISTANCE AVAILABLE FROM AGENCY, AND THAT CURRENCY PROBLEM WHICH INCREASE WAS TO DEAL WITH WAS NO FAULT OF LDCS AND THEY SHOULD NOT BE ASKED TO

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 IAEA V 07694 02 OF 02 181629Z

45

ACTION IO-14

INFO OCT-01 ISO-00 OIC-04 ACDA-19 CIAE-00 INR-10 L-03

NSAE-00 NSC-10 RSC-01 SCI-06 SCEM-02 SS-15 AF-10

ARA-16 EA-11 EUR-25 NEA-10 OMB-01 TRSE-00 EB-11 DRC-01

/170 W

----- 124879

R 181353Z SEP 73

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC 3400

INFO AEC GERMANTOWN

UNCLAS SECTION 2 OF 2 IAEA VIENNA 7694

PAR PART OF BILL. FOLLOWING LDCS REQUESTED RECORD TO SHOW THAT THEY ABSTAINED, RESERVED POSITION OR COULD NOT SUPPORT PROPOSED INCREASE: INDONESIA, ZAIRE (WITH SPECIFIC MENTIONED THAT IT WOULD MAKE FURTHER STATEMENT AT GC), EGYPT, INDIA, GREECE, ARGENTINA, MEXICO, COLOMBIA. FRANCE ALSO FORMALLY RESERVED POSITION, FEELING THAT AGENCY SHOULD CEASE TAKING PALLIATIVE MEASURES AND FIND, WITH OTHER MEMBERS OF UN FAMILY, COHERENT SOLUTIONS FOR PROBLEMS OF CURRENCY FLUCTUATIONS; IN ANY EVENT, FRENCH NATIONAL BUDGET WAS SET IN JUNE AND ITS DOMESTIC LEGISLATIVE PROCEDURES PRECLUDED ITS BEING ABLE PAY ANY PART OF INCREASE DURING 1974. INDIA MADE FOLLOWING SPECIFIC SUGGESTIONS FOR ECONOMIES TO LESSEN

BURDEN OF INCREASE: AGENCY SHOULD RE-EXAMINE WORK DONE FOR FAO, WHO, UNEP, AND UNIDO TO BE SURE THEY NOT COSTING AGENCY MONEY; TRIEST CENTER AND MONACO LABORATORY SHOULD BE FINANCED ENTIRELY FROM OPERATING FUND I, RATHER THAN REGULAR BUDGET; INIS SHOULD BE EXAMINED TO SEE IF REVENUES COULD BE INCREASED; IN SAFEGUARDS, THERE NO POINT IN SENDING TWO INSPECTORS ONTRIP WHEN ONE WOULD DO. COLOMBIA EXPRESSED THANKS, TOWARD END OF DISCUSSION, TO DONOR COUNTRIES WHO HAD ANNOUNCED INCREASED SUPPORT FOR TA PROGRAM, AND REGRETTED THAT LDGS COULD NOT SUPPORT INCREASED REGULAR BUDGET APPROPRIATION. DEVELOPED COUNTRIES SPEAKING IN SUPPORT OF INCREASE, OR STATING THAT THEY COULD ACCEPT IT, INCLUDED: AUSTRALIA, UK, FRG, SOUTH AFRICA, JAPAN, FINLAND, US, CANADA. FRG, JAPAN AND UNCLASSIFIED

UNCLASSIFIED

PAGE 02 IAEA V 07694 02 OF 02 181629Z

FINLAND, US, CANADA. FRG, JAPAN AND FINLAND INDICATED THAT THEY INTENDED INCREASE VOLUNTARY CONTRIBUTIONS FOR TECHNICAL ASSISTANCE IN 1974. ALL DEVELOPED COUNTRIES AGREED WITH UNHAPPINESS ABOUT INCREASE, BUT STRESSED THAT IT NO FAULT OF AGENCY'S AND THAT IF MEMBERS WISHED AGENCY TO EXECUTE PROGRAMS, THEY MUST COVER BUDGETARY SHORTFALL WHICH CURRENCY SITUATION HAD CREATED. ALL STRESSED INTENT HOLD DG STRICTLY TO USE IF CONTINGENCY ITEM FOR CURRENCY LOSSES ALONE. IN FINAL STATEMENT, DG REPEATED THAT FUNDS WOULD BE USED FOR LOSSES ON EXCHANGE ONLY, NOTED THAT UNGA WOULD CONSIDER SOLUTION THIS FALL FOR ENTIRE UN COMMON SYSTEM BUT THAT THIS WOULD COME TOO LATE TO BE OF USE TO AGENCY DURING 1974, AND URGED SUPPORT. BOARD THEN APPROVED INCREASE, SUBJECT TO RESERVATIONS AND ABSENCES SHOWN IN RECORD, AND REQUESTED DG TO INFORM GC OF AMENDMENT OF ITS RECOMMENDED BUDGET.

13. AGENDA ITEM 10 - MONGOLIAN MEMBERSHIP APPLICATION: AFTER BRIEF STATEMENTS BY USSR, ROMANIA AND JAPAN ENDORSING APPLICATION, BOARD CONSENSUS RECOMMENDED THAT GC APPROVE IT AT SESSION NEXT WEEK.

14. AGENDA ITEM 9 - FUTURE MEETINGS: NEXT MEETING SET FOR SEPTEMBER 24 OR 25, DEPENDING ON TIME OF ADJOURNMENT OF GC, FOR PRIMARY PURPOSE OF ORGANIZING NEW BOARD.

15. MEETING CONCLUDED WITH STATEMENTS OF TRIBUTE TO GOVERNORS WHO EITHER HAD ALREADY LEFT BOARD (ADM. QUILLIHALT OF ARGENTINA), OR WHO WOULD DO SO FOLLOWING GC, INCLUDING ERRERA OF BELGIUM, MARULANDA OF COLOMBIA, AND BERLIS OF CANADA, THIS YEAR'S CHAIRMAN.

16. COMMENT: MOST INTERESTING THING ABOUT DISCUSSION OF 1974 BUDGET WAS THAT WHILE LDGS ALL FELT COMPELLED TO STATE RESERVATIONS FOR RECORD, NONE ATTEMPTED TO LINK INCREASE WITH CORRESPONDING INCREASE IN TARGET FOR NEXT YEAR, OR SERIOUSLY ATTEMPTED TO BLOCK APPROVAL OF INCREASE. FEELING OF MASSIVE DISCONTENT WAS OBVIOUS, BUT LDC REPS, FOR MOST PART, WERE REALISTIC ENOUGH TO UNDERSTAND THAT IF AGENCY IS CUT SHORT OF MONEY, PROMOTIONAL ACTIVITIES OF INTEREST TO THEM WILL SUFFER AS WELL; SEVERAL SAID PRIVATELY THAT

THEY HOPED MATTER COULD BE HANDLED IN SUCH WAY THAT THEIR RESERVATIONS WOULD NOT UPSET APPROVAL OF INCREASE, AND THAT THEY WOULD VOTE IN FAVOR OF ENTIRE BUDGET AT GC. THEY SEEMED QUITE PREPARED TO HAVE CHAIRMAN ROLL A CONSENSUS OVER THEM TO PASS ITEM, AND THIS IS WHAT IN FACT OCCURRED.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 IAEA V 07694 02 OF 02 181629Z

17. NEVERTHELESS, MISSION FEELS THAT THEIR DISCONTENT CANNOT BE IGNORED. INCREASE THIS YEAR WAS MADE ACCEPTABLE, AT LEAST IN PART, BY FACT THAT US DOLLAR HAD BEGUN TO RECOVER ON INTERNATIONAL EXCHANGE MARKETS BEFORE BOARD MEETING. ANY FURTHER WIDE SWING DOWNWARD FOR DOLLAR WOULD PROBABLY HAVE UNFORESEEABLE CONSEQUENCES. FURTHER, APPROVAL BY GC OF BOARD RECOMMENDATION, WHILE THIS IS MOST LIKELY OUTCOME, IS BY NO MEANS FOREGONE CONCLUSION SINCE ANY HOT-HEADED LDC COULD FORCE MATTER TO VOTE ON WHICH MORE KNOWLEDGEABLE LDCS, SUCH AS THOSE NOW ON BOARD, WOULD HAVE TO ABSTAIN IF NOT VOTE AGAINST. FORTHCOMING FRG, JAPANESE AND FINNISH STATEMENTS, AND SIMILAR STATEMENTS IN PRIVATE FROM FRENCH AND FEW OTHERS, HAVE HELPED TO MODERATE CHANCE OF SUCH REVOLT. BUT HIGHLY MIXED RECORD OF THIS DISCUSSION STILL LEAVES ISSUE IN GC OPEN TO DOUBT AT THIS TIME. END COMMENT. TAPE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 18 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973IAEAV07694
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: IAEA VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730928/aaaaauhg.tel
Line Count: 249
Locator: TEXT ON-LINE
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 181319
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: WITHDRAWN <27-Dec-2001 by maustmc, RDFRD>; RELEASED <05 MAR 2002 by elyme>; APPROVED <06 MAR 2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IAEA BOARD OF GOVERNORS MEETING - SEPT. 14, 1973
TAGS: OCON, IAEA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005